

USPS-R2012-3/5

Special Services Cap Compliance

Preface

A. Overview of the Workpapers

The Special Services workpapers consist of this preface and two Excel workbooks: CAPCALC-SpecServ-R2012-3.xls and CAPCALC-INTLSpecServ-R2012-3.xls. **The revisions of November 8, 2011 are described at the end of this Preface.**

CAPCALC-SpecServ-R2012-3.xls takes the results from CAPCALC-INTLSpecServ- R2012-3.xls, and determines cap compliance for domestic and international market dominant special services combined.

CAPCALC-SpecServ-R2012-3.xls contains individual worksheets for each special service, as well as the following worksheets.

- The “Cap Calc Page” and the “Cap Detail Page” worksheets calculate the amount of the price change for each of the special services.
- The “Cap Amount and Bank” worksheet shows how much cap was available, how much was used, and how much will be unused for Special Services, following the special services price changes.
- The “Prices” worksheet shows the current and new prices for each special service; each of the sheets for the individual special services is dynamically linked to this sheet for its price information.
- The “Hardcoded Data” worksheet contains data that are used on each sheet, and calculates the average price for FY2010 for some special services so that a FY 2010 volume can be derived.
- The “Index” and “CoverPage” worksheets are the index of the workbook and the cover page for this document, respectively.

CAPCALC-INTLSpecServ- R2012-3.xls contains the “Cap Calculation” worksheet, which summarizes the price changes for the market dominant international special services.

B. Adjustments to the Billing Determinants

Adjustments were made to several billing determinants for this price change. They are listed individually below by worksheet name with an explanation for why each adjustment was necessary.

BPM Permits – The Postal Service is proposing to waive the permit fees when all mailings under a permit are presented with at least 90 percent of the mail pieces meeting full-service Intelligent Mail barcode preparation standards.

Delivery Confirmation – The Postal Service is reducing the price of electronic Delivery Confirmation service to a price of zero for certain products. As a result, the Delivery Confirmation Billing Determinants required modification.

First Class Presort Permits – The Postal Service is proposing to waive the permit fees when all mailings under a permit are presented with at least 90 percent of the mail pieces meeting full-service Intelligent Mail barcode preparation standards.

PO Boxes – The movement of many PO Boxes to the competitive PO Box service product required reducing the volumes to be used for pricing purposes, to reflect the current volume of PO Boxes that remain market dominant.

SFS – In response to the Postal Regulatory Commission request that action be taken to improve the cost coverage of Stamp Fulfillment Services the price structure of SFS is proposed to be modified. The volume from the single price in the past had to be split into the two price points proposed in this filing.

Stamped Envelopes – Historically there has been no difference in price between envelopes with windows and those without, while there was a cost difference for the Postal Service. In this filing we are instituting a charge for Windows, and the Billing Determinants are modified to reflect this new price category.

Standard Mail Bulk Permit – The Postal Service is proposing to waive the permit fees when all mailings under a permit are presented with at least 90 percent of the mail pieces meeting full-service Intelligent Mail barcode preparation standards.

REVISIONS OF NOVEMBER 8, 2011

The “Change Calc” worksheet was revised for the following services:

- Caller Service and Reserve Number
- ZIP + 4
- Zip Move
- DMM (Domestic Mail Manual) Labeling Lists
- Correction and ZIP Coding of Mailing Lists
- Furnishing Address Changes to Election Boards
- Express Mail Insurance
- Premium Stamped Cards

The corrections were too small to affect the rounded Special Services Overall Increase percentage, or the “Rate Cap Authority Calcs” worksheet.

The “BPM Permits” worksheet was revised to correct labeling errors and to correct the revenue reported in the Modified Billing Determinants presented.

The “PO Boxes” worksheet was revised to change the before and after prices for Reserve Number to \$42.

The “Other Income” worksheet was revised to correct the volumes for Address Changes to Election Boards and Correction of Mailing Lists and Sequencing of Mailing Lists used for the cap calculation.

The “Express Mail Insurance” worksheet was revised to show the correct existing and new prices and the revenue resulting from those prices.

The “Premium Stamped Cards” worksheet was revised to show the correct revenue and volume.